



# Town of Litchfield Deliberative Session

February 12, 2011

## Deliberative Session Poll

- ▶ The Board of Selectmen and School Board are considering holding Deliberative Sessions on the same day next year
- ▶ Format may be to hold jointly or with one immediately following the other – with positive feedback from both Deliberative Sessions, Boards will work on possible approach
- ▶ Rationale
  - Allow for participation on one day rather than two
  - Cost savings from having one meeting (set-up, staffing)
  - Other towns using this approach have seen increased participation
  - Allows voters to see the “big picture” of combined impact of Town and School warrants
  - Budget Committee already shared – Budget Hearing covers both Town and School at one meeting
- ▶ Both Deliberative Sessions to be polled this year.
- ▶ If implemented, format would be evaluated after first year.



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## Article 1: Election of Officers

- ▶ To elect by ballot the following Town officers: two Selectmen–three year term; two Budget Committee members– three year term; two Library Trustees – three year term; one Road Agent – two year term; one Town Clerk/Tax Collector–three year term; one Trustee of Trust Funds– three year term; one Cemetery Trustee–three year term; one Treasurer–three year term.



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## Article 2: Town Budget

- ▶ To see if the town will raise and appropriate as an operating budget, not including appropriation by special warrant articles and other appropriations voted separately, the amounts set forth in the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$4,492,776. Should this article be defeated, the default budget shall be \$4,463,558, which is the same as last year, with certain adjustments required by previous action of the Town of Litchfield or by Law; or the governing body may hold one special meeting, in accordance with RSA §40:13, X and XVI, to take up the issue of a revised operating budget only.
- ▶ ***Recommended by the Board of Selectmen (Vote: 5-0-0)***
- ▶ ***Recommended by the Budget Committee (Vote: 6-0-0)***



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# Budget Breakdown

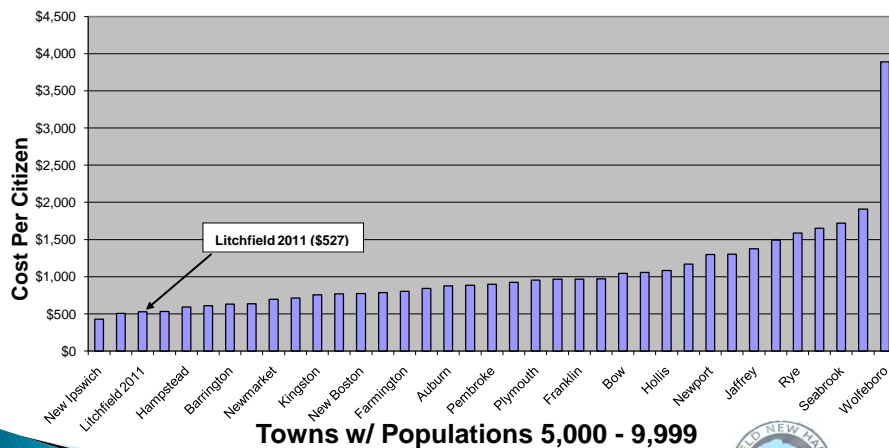
Department Name	2010 BUDGET	2011 BUDGET COMMITTEE RECOMMENDED	BUDGET INCREASE / (DECREASE) AMOUNT	BUDGET INCREASE / (DECREASE) PERCENTAGE
Public Safety	\$1,813,228	\$2,037,682	\$224,454	12.38%
General Government	\$1,189,234	\$1,238,411	\$49,177	4.14%
Solid Waste Disposal	\$467,984	\$316,460	(\$151,524)	-32.38%
Highway And Streets	\$440,209	\$410,384	(\$29,825)	-6.78%
Culture And Recreation	\$275,839	\$284,037	\$8,198	2.97%
Sanitization Administration	\$76,999	\$95,205	\$18,206	23.64%
Health	\$58,618	\$54,551	(\$4,067)	-6.94%
Welfare	\$25,000	\$20,000	(\$5,000)	-20.00%
Street Lighting	\$18,949	\$14,700	(\$4,249)	-22.42%
Highway Administration	\$18,214	\$19,179	\$965	5.30%
Conservation	\$3,161	\$2,166	(\$995)	-31.48%
Debt Service	\$1	\$1	\$0	0.00%
Undesignated Warrant Articles	\$157,283	\$0	(\$157,283)	
2011 Proposed Warrant Articles	\$0	\$0	\$0	
<b>Total</b>	<b>\$4,544,719</b>	<b>\$4,492,776</b>	<b>(\$51,943)</b>	<b>-1.14%</b>



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## 2010 Cost per Citizen vs. Litchfield 2011



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## Article 3: Police Union Contract

- ▶ Shall the town vote to approve the cost items for wage and related costs that have been included in the collective bargaining agreement reached between the Town of Litchfield and Council 93 of the American Federation of State, County and Municipal Employees which provides for the following increases in wages and benefits:
  - ▶ 2011: \$734
  - ▶ 2012: \$13,716 (estimated)
  - ▶ 2013: \$14,127 (estimated)
- ▶ And further, to raise and appropriate the sum of \$734 for 2011 fiscal year, such sum representing the additional cost attributable to the increase in benefits over those of the appropriation at current staffing levels. This collective bargaining agreement covers the full and part time patrol officers and full and part time dispatchers.
- ▶ This contract contains no raise for 2011, cost of living adjustments based on the Boston CPI-W for 2012 and 2013, with such adjustments to be not less than 1% and not to exceed 2% in 2012 and not be less than 2% and not to exceed 3% in 2013. Additionally, the contract includes opportunities for a buy-out for not taking Town health insurances and introduces an Earned Time program in 2013 replacing the current vacation, sick and personal time program which is expected to reduce overtime costs.
- ▶ **Recommended by the Board of Selectmen (Vote: 5-0-0)**
- ▶ **Recommended by the Budget Committee (Vote: 6-1-0)**



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## High Points of the Contract

- ▶ **Salaries**
  - 2011 – 0% salary change;
  - 2012 – Range of 1 – 2% based upon Boston CPI-W;
  - 2013 – Range of 2 – 3% based upon Boston CPI-W;
- ▶ Includes a “buy out” for not taking health insurance;
- ▶ Includes an “Earned Time Program” for 2013 replacing the current sick, personal and vacation time programs;
- ▶ Implements random drug testing for all unit employees;



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## Earned Time

- ▶ Benefit change to allow Town to continue to be competitive with other departments.
- ▶ Turns leave days into a tangible asset. Some unused days can be bought out once per year.
- ▶ Incentive exists to take less leave time.
- ▶ Can reduce some overtime costs as employees who opt not to “use up” days, do not leave open shifts that require overtime coverage.
- ▶ Annual leave hours earned per year have been decreased by the equivalent of 1 to 2 days based on seniority levels.



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## Article 4: Highway Block Grant Funds

- ▶ Shall the Town include as part of the regular operating budget annually, acceptance of the NHDOT Highway Block Grant for improvements to town roads and drainage?  
This is an advisory warrant article.
- ▶ *Recommended by the Board of Selectmen (Vote: 5-0-0)*
- ▶ *Recommended by the Budget Committee (Vote: 7-0-0)*



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## Purpose

- ▶ BOS is looking to utilize the Highway Block Grant Funds (HBGF) for a routine road investment program for the town;
- ▶ Currently, HBGF are “set aside” and used for various projects in the year after receipt;
- ▶ Proposed projects are currently not listed as part of the budget;
- ▶ Town’s Auditors requested that we place this money into the budget;



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## Article 5: Fire Hydrant Fees

- ▶ To see if the Town will to enter into a contract with Pennichuck East Utilities to assume responsibility for Fire Protection charges for water system users. And further, to see if the Town will vote to raise and appropriate the sum of \$69,989 for that purpose. This amount represents the cost for 3 months of service in 2011 and is apportioned from an estimated annual cost of \$279,952. If this article is approved, future appropriations for Fire Protection Charges will be included in the operating budget of the Town.
- ▶ *Recommended by the Board of Selectmen (Vote: 5-0-0)*
- ▶ *Recommended by the Budget Committee (Vote: 6-1-0)*



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## Current Program

- ▶ Currently 1828 customers of Pennichuck East Utilities (PEU);
  - Approximately 3300 residences in Litchfield;
- ▶ Litchfield residents per the Public Utilities Commission :
  - Pennichuck East Utilities (PEU) customers pay a hydrant fee of \$12.59 per month for this service;
    - Cost covers the capital expenditure and water to put out fires;
- ▶ Residents who do not have PEU water are to be billed \$800 for the use of the water & utilities;
  - PEU has never billed the town for non-subscribers;
  - \$800 billed cost is to be refunded to the subscribers;



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## Recommendation

- ▶ In 2009, Fire Hydrant Committee studied current program;
  - In 2010, voters directed the BOS to bring forward this warrant article for consideration;
- ▶ Warrant article would have the town assume the costs of the hydrant fees;
  - Town will be billed monthly by PEU;
  - Cost of hydrant fees assumed by the town would be applied to all property owners through the property tax;
- ▶ PUC would need to approve the change and hence the implementation would take ~ 6 months beyond any approval of the voters;
- ▶ MS-7 shows a higher amount – BOS adjusted original cost downward based on 6 month PUC approval.



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## Dimensions of PEU

- ▶ Cumulative hydrant costs to the customers of PEU is ~ \$279,000;
  - Estimated millage costs for assuming the full hydrant fees is \$0.35/'000 of assessed value;
    - For a \$200K home = \$69.25 per year (\$5.77 per month);
    - For a \$300K home = \$103.88 per year (\$8.66 per month);
- ▶ Expected 2013 rate (next adjustment) will be an increase of ~ 15% to the cumulative costs (i.e. \$320,850);
  - \$0.40/'000 at today's valuation;



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## Article 6: Land Use Change Tax

- ▶ To see if the Town will vote to deposit 50 percent of the revenues collected pursuant to RSA 79-A (the Land Use Change Tax assessed when property is removed from Current Use) in the Conservation and Land Acquisition Fund previously established in accordance with RSA 36-A:5(III) and to deposit 50 percent of the revenues in the Town's General Fund. The purpose of the Conservation and Land Acquisition Fund is to purchase land, conservation or trail easements or the purchase of development rights. This article modifies an approval in 2003 to deposit 100 percent of the revenues collected in the Fund. The 2009 audit reported a balance in this fund of \$882,317.
- ▶ *Recommended by the Board of Selectmen (Vote: 5-0-0)*
- ▶ *Recommended by the Budget Committee (Vote: 6-1-0)*



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## Explanation

- ▶ Land can be placed into “Current Use”:
  - If parcel is larger than 10 acres and;
  - Is undeveloped farm, forest or unproductive land;
- ▶ Once land is taken out of “Current Use”, a tax of 10% of the full assessed property value is charged;
  - Current use tax is categorized as revenue for the town;
  - Current use tax is currently given at 100% to the Conservation Commission to purchase and hold property per the voters in 2003;
- ▶ If approved, warrant article directs that 50% of the current use taxes received would be listed as revenue and go towards offsetting appropriations;
- ▶ Warrant article seeks clarification of the voters if this dedication should continue or be changed;



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## Cost Analysis of the years

- ▶ Current Use Taxes received:
 

◦ 2010	\$ 61,600	}	<b>Total \$1,592,789</b>
◦ 2009	\$ 1,540		
◦ 2008	\$ 122,000		
◦ 2007	\$ 115,475		
◦ 2006	\$ 515,893		
◦ 2005	\$ 536,848		
◦ 2004	\$ 5,690		
◦ 2003	\$ 233,743		
- ▶ 2009 audited Conservation Commission Funds in the account were \$882,317;
- ▶ While amounts vary years to year, overall there are years where the use of these funds to decrease taxes could be significant;
  - Would represent upwards of 11%+ of town's revenue in most productive years;



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## Article 7: Expendable Trust Fund

- ▶ To see if the Town will vote to create an expendable trust fund under the provisions of RSA 31:19-a to be known as the Vacation Accrual Expendable Trust Fund and to authorize the Board of Selectmen to serve as agents to expend from the funds, and further to raise and appropriate the sum of \$58,862 for transfer into this fund from the unexpended fund balance as of December 31, 2010. This amount is shown on the Town's balance sheet as a liability. The intent of this article is to annually account for the cost of earned but unused vacation time so that the expenses associated with employee resignations and retirements do not impact the current year budget. This would have a net cost to 2011 general taxation of \$0.
- ▶ *Recommended by the Board of Selectmen (Vote: 5-0-0)*
- ▶ *Recommended by the Budget Committee (Vote: 5-2-0)*



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## Explanation

- ▶ This fund would take money already in the town's General Fund and set it aside in a special account for covering the expenses of personnel leaving the employ of the town;
  - Fund would change values over time to reflect the liability of the town to its employees;
- ▶ Currently, payment of unused vacation time would be required to come from the fiscal year's budget;
- ▶ This warrant will have no impact on the taxes appropriated;



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## Petition Article 8: Fire Chief

- ▶ BY PETITION: To see if the town will vote to adopt the provisions of RSA 154:1, Section I(a) that allows the governing body to appoint the fire chief with firefighters appointed by the fire chief. (This would allow for greater accountability by allowing the establishment of minimum requirements for the position as well as continuity in town government by bringing this position in line with others.)



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## Explanation of Impact

- ▶ Town voted to establish a volunteer Fire Department in the 1940's;
  - State law RSA §154:1 establishes various organization types;
    - Elected Chief;
    - Appointed Chief by the BOS;
- ▶ If approved, warrant would cause the Chief to be appointed by the BOS;
  - Chief would serve until March 2012 when BOS would assume appointment of Chief;
  - Chief would continue appointing officers;
  - Chief would continue to hire/recruit Fire Fighters;
  - By RSA, Chief would continue to have control over the equipment, personnel and all fire fighting methodology;
- ▶ BOS has taken no position on this petition warrant article;



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## Petition Article 9: Town Treasurer

- ▶ BY PETITION: To see if the Town will vote to authorize the appointment of a Town Treasurer by the Board of Selectmen rather than by election. This option is authorized under RSA 41:26-e. Per RSA 669:17-d, when a town votes to discontinue the elected treasurer office, the person holding the elected office of treasurer at the time of the vote to discontinue it shall hold office until the annual town election first following the discontinuance of the office, at which time the elected office of treasurer shall terminate irrespective of the length of that officer's term.



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## Explanation of Impact

- ▶ Treasurer is currently elected to office;
- ▶ State RSA allows for the appointment of the Treasurer by the BOS;
- ▶ If approved, warrant article will:
  - Continue Elected Treasurer in office until March 2012;
  - BOS would then assume duties of recruiting and appointment of the Treasurer;
  - BOS could perform both a criminal & financial background check before appointment;
- ▶ BOS has taken no position on this petition warrant article;



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